



An AEP Company

BOUNDLESS ENERGY™

Indiana Michigan Power
P.O. Box 60
Fort Wayne, IN 46801

April 2, 2018

Mary Becerra
Secretary of the Commission
Indiana Utility Regulatory Commission
101 West Washington Street
Suite 1500 E
Indianapolis, IN 46204

Re: I&M Thirty Day Administrative Filing No. 50125

Dear Ms. Becerra:

Indiana Michigan Power Company ("I&M") hereby responds to the objection filed by the Citizens Action Coalition of Indiana and the Environmental Law & Policy Center (collectively the "Objectors") to I&M's Thirty Day Administrative Filing for Tariff COGEN/SPP (Cogeneration and/or Small Power Production Service) ("Filing"). The Filing has been assigned the tracking number 50125 by the Indiana Utility Regulatory Commission ("Commission"). The Filing was made by I&M to comply with 170 IAC 4-4.1-10 ("Section 10"), which forms part of the Commission's implementation of the federal Public Utilities Regulatory Policy Act ("PURPA"). Section 10 requires each generating electric utility to annually file updated standard offer rates for the purchase of energy and capacity from a qualified facility. The energy and capacity rates must be derived from the appropriate application of 170 IAC 4-4.1-8(a) and 9(c)-(d).

The Objectors do not claim that I&M's Filing violates Section 10 or that the rates proposed by I&M are inconsistent with Sections 8(a) or 9(c)-(d). Instead, the Objectors contend the filing is "incomplete and violates applicable law" because (a) I&M allegedly does not offer a "long-term, fixed rate standard contract," and (b) I&M's Filing did not include avoided cost information under 18 CFR § 292.302(b). Objection at 4.

The Objectors' contentions misconstrue the applicable law and Commission regulations. I&M offers a standard form contract as required by 170 IAC 4-4.1-11 ("Section 11"), and this standard contract has previously been submitted to the Commission and is publicly available on the Commission's website.¹ Further, I&M complies with IC § 8-1-2.4-4(a) by offering a "long term" standard offer contract of up to

¹ https://www.in.gov/iurc/files/2524_030209.pdf.

five years, and I&M follows the plain text of Section 10 by updating its standard offer rates annually. Further, Section 10 does not require I&M to fulfil the requirements of 18 CFR § 292.302(b) as part of its annual Section 10 filing. Consequently, I&M's Filing does not violate applicable law and is not incomplete, and there is no permissible basis identified by the Objectors to object to the Filing.

I. Response to Objection One: I&M Has Fulfilled Section 11 by Offering a Long-Term Standard Form Contract to Qualifying Facilities

The Objectors claim that I&M's Filing is insufficient because I&M did not include a "long-term contract with fixed rates in I&M's 30-day filing." Objection at 4. This assertion contains three separate claims, each of which is meritless. I&M's 30-day Filing conforms with all applicable requirements.

A. I&M's Standard Contract Is Publicly Available on the Commission's Website

The Objectors claim that "I&M's 30-day filing fails to *contain* a standard contract, as required by 170 IAC 4-4.1-11." Objection at 4 (emphasis added). What the Objectors apparently mean is that I&M did not *attach* its standard contract to its 30-day Filing. But there is no such requirement. I&M has previously submitted its standard contract to the Commission, and the contract remains available to the public on the Commission's website.² This standard contract is available to any qualifying facility that wishes to sell its power to I&M.

Notably, in claiming that I&M violated a requirement to *attach* its standard contract, the Objectors do not quote or cite Section 10, the rule under which I&M's 30-day filing was made. Nothing in Section 10 requires that a utility attach its standard contract. Section 10 provides:

Sec. 10. Within sixty (60) days of the effective date of this rule and on or before February 28, of each subsequent year, each generating electric utility shall file with the commission a standard offer for purchase of energy and capacity at rates derived from the appropriate application of sections 8(a) and 9(c) through 9(d) of this rule.

170 IAC 4-4.1-10. This language only requires a utility to file a "standard *offer* for purchase of energy and capacity at rates" calculated pursuant to the Commission's rules. 170 IAC 4-4.1-10 (emphasis added). I&M's 30-day Filing fulfilled this requirement by setting forth its proposed standard offer rates. The Objectors do not

² https://www.in.gov/iurc/files/2524_030209.pdf.

challenge I&M's proposed rates in any way, and thus they have no grounds to claim that I&M's 30-day Filing is insufficient under Section 10.

Rather, the Objectors appear to claim that I&M violated a different rule – 170 IAC 4-4.1-11 (“Section 11”) – by failing to attach its standard contract to this Section 10 Filing. Yet Section 11 contains specific language making clear that a utility is not required to annually submit a standard offer contract with each filing made under Section 10:

Sec. 11(a). Within sixty (60) days of the effective date of this rule each generating electric utility shall submit for approval via the commission's thirty (30) day filing process a standard form contract which it would enter into with a qualifying facility in connection with the generating electric utility's purchase of energy or capacity or both.

170 IAC 4-4.1-11. Thus, the submission of standard offer contracts is a one-time requirement that was required to have been performed within sixty days of the effective date of the rule. Utilities are not required to continue to submit their standard form contract with each Section 10 Filing.

In any event, even if there were a requirement for I&M to *attach* its standard contract to its 30-day filing (there is not), I&M has attached its standard contract to this submission. See Attachment A. Thus, I&M has remedied any concern raised by this formalistic objection.

B. I&M Offers a “Long Term” Contract as Required by IC § 8-1-2.4-4(a).

Next, the Objectors claim (Objection at 4-5) that I&M's 30-day filing is deficient because its standard form contract allegedly is not “long-term.” The applicable Indiana statute, IC § 8-1-2.4-4(a), directs the Commission to “require electric utilities and steam utilities to enter into long term contracts.” I&M is in compliance with this statute. As the Objectors acknowledge (Objection at 5), I&M offers a standard form contract for up to five years. See I&M Tariff Cogen/SPP (Cogeneration and/or Small Power Production Service).

A contract for up to five years qualifies as a “long term” contract under IC § 8-1-2.4-4(a), and the Objectors cite no authority suggesting otherwise. The only authority that Objectors cite is a single FERC decision, *Windham Solar LLC and Allco Finance Limited*, 157 F.E.R.C. P 61,134 (2016). Obviously, a FERC decision does not – and cannot – shed any light on the meaning of an *Indiana* law, IC § 8-1-2.4-4(a). Moreover, this FERC decision does not in any way suggest that a five-year contract is insufficient. To the contrary, in its decision FERC makes clear that its regulations “*do not* . . . specify a particular number of years for . . . legally enforceable obligations” under PURPA. *Id.* ¶ 8 n.13 (emphasis added). Rather, FERC's “regulations allow state regulatory authorities to consider a number of factors” in implementing PURPA, “includ[ing],

among others, the availability of capacity, the QF's dispatchability, the QF's reliability, and the value of the QF's energy and capacity." *Id.* ¶ 6.

This Commission has previously exercised its broad discretion in this area to determine that I&M's provision of contracts for up to five years is appropriate, and the Objectors raise no meaningful grounds for the Commission to reverse course. Five-year contracts strike an appropriate balance. Since PURPA was enacted, Indiana and the nation have witnessed rapid progress in electric generation technology and the development of interstate electricity markets. Contracts longer than five years would potentially lock I&M and its customers in to making purchases from qualified facilities that may rapidly become inefficient, uneconomical, or even obsolete. The term of I&M's standard offer contract must be long enough to provide sufficient certainty to qualified facilities but not so long that it impedes the development of technological advancements. A five-year contract strikes this balance.

The Objectors assert that a five-year contract "is too short to encourage development of QFs because it would be prohibitively difficult to obtain QF project financing with only 5-year contracts." Objection at 5. But the Objectors provide no evidentiary support for this claim. Instead, the Objectors carefully state that it "would be" prohibitively difficult to obtain financing with a five-year contract. *Id.* Apparently the Objectors are not aware of any entity that has *actually* attempted to obtain financing with a five-year contract and been unsuccessful.

The Objectors' concerns about financing are not only unsubstantiated; they also fail to withstand scrutiny. Under Indiana law and the Commission's regulations, I&M and other utilities are required to provide a standard offer to qualifying facilities and update it annually. That requirement provides certainty to qualifying facilities irrespective of the length of a contract.

The Objectors' examples from other states, furthermore, are incomplete and inapplicable. The Objectors attempt to compare the number of qualified facility contracts in states with five-year contracts and states with longer contracts. As an initial matter, by acknowledging that there are other states with five-year contracts, the Objectors prove that a five-year contract is an acceptable and proven standard for qualified facility contracts. Indeed, the Objectors note that PacifiCorp has three qualified facility contracts in Washington state, which has five-year contracts. This directly refutes the Objectors' claim that "it would be prohibitively difficult to obtain QF project financing with only 5-year contracts." Objection at 5.

Moreover, the Objectors' comparisons to other states are purely conjecture because they make no effort to show that it is the term of the contracts that has caused the difference in contract numbers. Correlation is not causation. And there are myriad factors that affect the number of qualified facility contracts in a jurisdiction, including, most significantly, the utility's incremental cost that is used to set contract price. It may well be that the utilities in the West Coast jurisdictions the Objectors laude have higher incremental cost than utilities in other jurisdictions, and that price, not contract term,

explains the differences in the number of contracts. Availability of renewable resources is another critical factor. The Objectors note that PacifiCorp has a large number of contracts in Utah, but it takes no leap of logic to conclude that the availability of solar resources in the Utah desert far exceeds the availability of solar in rainy Washington state, to which the Objectors make their comparison.

In short, a five-year contract is sufficiently “long-term” under IC § 8-1-2.4-4(a). The objectors fail to make the case that a longer contract is necessary to encourage development of qualified facilities under IC § 8-1-2.4-1. And a five-year contract strikes a reasonable balance between providing certainty to qualified facilities and not impeding technological progress or locking in I&M and its customers to inappropriate or excessive commitments.

C. Under Section 10, I&M Properly Updates Its Standard Offer Rate Annually

Qualified facilities that accept I&M's standard offer may select from several options for energy and capacity sales under I&M's Tariff COGEN/SPP. This Tariff sets forth the prices at which these sales are made. As required by 170 IAC 4-4.1-10, I&M files “on or before February 28, of each . . . year . . . a standard offer for purchase of energy and capacity at rates derived from the appropriate application of sections 8(a) and 9(c) through 9(d) of this rule [(i.e., 170 IAC 4-4.1)].” Therefore, qualified facilities accepting I&M's standard offer will make sales at Tariff COGEN/SPP rates that are updated annually according to the Commission's rules.

The Objectors do not claim that I&M has failed to comply with the Commission's rules in making annual updates to its Tariff COGEN/SPP rates. But they claim that I&M's standard offer contract is insufficient because “federal law requires that long-term contracts include the ability to obtain fixed rates.” Objection at 4. I&M has been making annual updates of its Tariff COGEN/SPP rates for many years, and to I&M's knowledge the Objectors (which have been regular participants in other proceedings before this Commission) have never before raised this argument. If the Objectors believe that the Commission's rules violate federal law, I&M's 30-day filing is not the appropriate forum to make this argument, and the time to make the argument has long since passed.

II. Response to Objection Two: I&M's Section 10 Filing Need Not Comply With 18 CFR § 292.302(b)

The Objectors contend that I&M's 30-day Filing does not include avoided cost information required by 18 CFR § 292.302(b). But this argument provides no legitimate basis to object to the Filing. I&M is not submitting the Filing to comply with 18 CFR § 292.302(b) but to comply with Section 10. The Objectors do not contend that the Filing fails to comply with Section 10 in any respect. No provision in Section 10 requires a generating electric utility to submit the information required by 18 CFR § 292.302 as part of its annual standard offer update. I&M's Filing cannot reasonably be held to

violate Section 10 or be incomplete because it fails to include information not required by Section 10.

While not relevant to the legitimacy of the Objectors' objections, I&M complies with many of the requirements of 18 CFR § 292.302(b) through its Integrated Resource Plan ("IRP"). The IRP evaluates I&M's planned capacity additions over at least 10 years and establishes an estimated cost of capacity additions.

The Objectors' claims are meritless. I&M's filing is neither incomplete nor in violation of applicable law. For these reasons, I&M's 30-day filing should be presented to the Commission for consideration.

III. Initiation of a Statewide Docket To Investigate PURPA Implementation Is Not Appropriate at This Time

Objectors' true purpose for their objections appears to be the initiation of a statewide docket to investigate Indiana's implementation of PURPA. Objection at 6. This is not a legitimate basis for objecting to I&M's filing, since Section 10 contemplates submission of energy and capacity rates pursuant to the Commission's 30-day filing procedures to avoid lengthy proceedings.

Apart from the Objectors' misuse of the objection provision of the 30-day filing procedure, there is no need to initiate a statewide docket to investigate PURPA implementation. The Objectors offer scant details supporting their request for an investigation, except to say that an investigation "could" further consider the arguments they raise in their Objection or "any other issues the Commission deems desirable." Objection at 6. As discussed above, the Objectors' arguments are meritless and do not warrant further consideration. Nor have the Objectors established the need to conduct an amorphous general inquiry to PURPA implementation. The Objectors fail to demonstrate that there is any problem that the Commission needs to address. Statewide investigations can be lengthy and costly for the Commission and all parties; they should not be initiated without far more tangible evidence of need.

In addition, the regulations cited by Objectors are being reviewed by FERC in Docket No. AD16-16. See Notice Inviting Post-Technical Conference Comments, Docket No. AD16-16 (FERC Sept. 6, 2016).³ FERC's Chairman, Neil Chatterjee, has explained the purpose of this investigation:

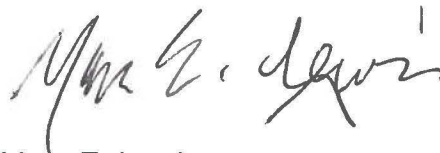
The energy landscape that existed when PURPA was conceived was fundamentally different than it is today; solar and wind power were fledgling technologies, there was no open access to wholesale electricity markets, and natural gas was in scarce supply. None of those things are true today. In light of such changes, I believe the Commission should consider whether changes in its

³ Available at <https://www.ferc.gov/CalendarFiles/20160906164926-AD16-16-000%20TC2.pdf>.

existing regulations and policies could better align PURPA implementation and modern realities.

Letter from Chairman Neil Chatterjee to Representative Tim Walberg (Nov. 29, 2017).⁴ Moreover, Congress is considering changes that may be necessary to PURPA. The Energy and Commerce Subcommittees of the House of Representatives held a hearing on September 6, 2017 to hear testimony on the need for revisions to PURPA. See *Powering America: Reevaluating PURPA's Objectives and Its Effects on Today's Consumers Before the H. Energy and Commerce S. Comm.*⁵ Legislation has been introduced in the House of Representatives to modernize PURPA. See H.R. 4476, 115th Congress (2015).⁶ Therefore, an investigation by this Commission is inappropriate because the pending investigations at the federal level may substantially change the current legal and regulatory landscape.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc E. Lewis". The signature is fluid and cursive, with the first name "Marc" and last name "Lewis" clearly distinguishable.

Marc E. Lewis
Vice President – Regulatory & External Affairs
Indiana Michigan Power Company

⁴ Available at https://elibrary.ferc.gov/idmws/file_list.asp?document_id=14624205.

⁵ Available at <https://energycommerce.house.gov/hearings/powering-america-reevaluating-purpas-objectives-effects-todays-consumers/>.

⁶ Available at <https://www.congress.gov/bill/115th-congress/house-bill/4476/text>.

This Contract, entered into this _____ day of _____, by and between Indiana Michigan Power Company, hereafter called the Company, and **RECEIVED**, or his or its heirs, successors or assigns, hereafter called the Customer,

MAR 02 2009

Witnesseth:

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree with each other as follows:

The Company agrees to furnish to the Customer, during the term of this Contract, and the Customer agrees to take from the Company, subject to Company's standard Terms and Conditions of Service as regularly filed with the Indiana Utility Regulatory Commission, all the electric energy of the character specified herein that shall be purchased by the Customer in the premises located at _____.

The Company is to furnish and the Customer is to take electric energy under the terms of this Contract for an initial period of _____ month(s) from the time such service is commenced, and continuing thereafter until terminated upon _____ months' written notice given by either party of its intention to terminate the Contract. The date that service shall be deemed to have commenced under this Contract shall be _____.

The electric energy delivered hereunder shall be alternating current at approximately _____ volts, _____-wire, _____-phase, and it shall be delivered _____, which shall constitute the point of delivery under this Contract. The said electric energy shall be delivered at reasonably close maintenance to constant potential and frequency, and it shall be measured by a meter or meters owned and installed by the Company and located _____.

The Customer acknowledges that the Customer may be eligible to receive service under more than one of the Company's schedules and that such options have been explained to the Customer. The Customer and Company agree that the Customer has chosen to receive service under the provisions of the Company's Tariff _____. The Customer agrees to pay the Company monthly for electric energy delivered hereunder at the rates and under the provisions of the Company's Tariff _____, as regularly filed with the Indiana Utility Regulatory Commission, as long as that schedule is in effect. In the event that the tariff chosen by the Customer is replaced by a new or revised tariff incorporating different rates or provisions, or both, the Company and Customer understand and agree that the Company will continue to provide service, and the Customer will continue to take service, under this Contract, subject to such changed provisions, and that the Customer will pay for such service at the new rates on and after the date such rates become effective.

The Customer's contract capacity under the tariff named herein is hereby fixed at _____. If a time-of-day demand is available under the tariff and is selected by the Customer, the reservation of capacity aforementioned shall be the peak period reservation of capacity and shall determine the tariff's minimum monthly billing demand.

There are no unwritten understandings or agreements relating to the service hereinabove provided. This Contract cancels and supersedes all previous agreements, relating to the purchase by Customer and sale by Company of electric energy at Customer's premises as referred to above, on the date that service under this Contract commences. This Contract shall be in full force and effect when signed by the authorized representatives of the parties hereto.

Indiana Michigan Power Company

(customer's name)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

RECEIVED

ADDENDUM - 1

30-Day Filing No. 2524

MAR 02 2009

INDIANA UTILITY
REGULATORY COMMISSION

The INDIANA MICHIGAN POWER COMPANY consents to the operation by _____ (Customer) of the following qualifying electric power production facilities consisting of _____ in parallel with the Company's system at the location shown on the Service Agreement. Company's consent is on the condition that the Customer installs, operates and maintains suitable and sufficient equipment, as specified by the Company, to protect the Customer's facilities, the Company's system and personnel, and other customers' electrical facilities served by the Company from the same local source as the Customer from damages resulting from such parallel operation, and upon the further condition that the Company shall not be liable to the Customer for any loss, cost, damage or expense which the Customer may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of or in any manner connected with such parallel operation, unless such loss, cost, damage or expense is caused by the negligence of the Company, its agents, or employees and upon further condition that the Customer shall not be liable to the Company for any loss, cost, damage or expense which the Company may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of, or in any manner connected with such parallel operation, unless such loss, cost, damage or expense is caused by the negligence of the Customer, its agents or employees.

"Force Majeure" events include acts of God; acts of public enemies; orders or permits or the absence of the necessary orders or permits of any kind which have been properly applied for from the government of the United States, the state of Indiana, any political subdivision or municipal subdivision or any of their departments, agencies or officials, or any civil or military authority; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; wars; civil disturbances; explosions, sabotage; injunctions; blights; famines; blockades; or quarantines. If either party is rendered wholly or partly unable to perform its obligations because of Force Majeure, both parties shall be excused from whatever obligations are affected by the Force Majeure and shall not be liable or responsible for any delay in the performance of, or the inability to perform, any such obligations for so long as the Force Majeure continues. The party suffering an occurrence of Force Majeure shall, as soon as is reasonably possible after such occurrence, give the other party written notice describing the particulars of the occurrence and shall use its best efforts to remedy its inability to perform, provided, however, that the settlement of any strike, walkout, lockout or other labor dispute shall be entirely within the discretion of the party involved in such labor dispute.

This Addendum is subject to and is intended to comply with all applicable statutes, and regulations and orders of the Federal Energy Regulatory Commission and any State Commission having jurisdiction over sales of power and energy from qualifying facilities, in effect at the date hereof.

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MAR 02 2009

INDIANA UTILITY
REGULATORY COMMISSION

Indiana Michigan Power Company Attachment A

SAMPLE

OPTION #1

30-Day Filing No. 50125

30-Day Filing No. 2524

It is further agreed the Customer elects Option 1 under Tariff COGEN/SPP and does not wish to sell nor the Company to purchase any energy or capacity; therefore, neither energy nor capacity credits will apply. The Customer will purchase from the Company the net load requirements under the provisions of the Service Agreement.

Cancellation of this Addendum during the term shown in the Service Agreement shall be under the provisions for cancellation stated in the Tariff shown in the Service Agreement. All other provisions of Option 1 of Tariff COGEN/SPP shall be in effect.

This Addendum shall be in full force and effect when last signed by the assigned representatives of the parties hereto.

INDIANA MICHIGAN POWER COMPANY

(CUSTOMER NAME)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

MAR 02 2009

SAMPLE

30-Day Filing No. 2524

INDIANA UTILITY
REGULATORY COMMISSION

OPTION #2 (Energy Purchase Only)

It is further agreed that the Company will purchase and the Customer will sell electric energy produced by the Customer's qualifying facility under Option 2 of the terms of Tariff COGEN/SPP as filed with the Indiana Utility Regulatory Commission. For the term shown in the Service Agreement the Customer does not contract to sell capacity to the Company under this Addendum; therefore, capacity credits do not apply. The Customer will purchase from the Company the net load requirements under the provisions of the Service Agreement.

The electric energy delivery under this Addendum shall be alternating current at approximately _____ volts, four (4) wire, three (3) phase, 60-hertz. The said electric energy shall be delivered at reasonably close maintenance to constant potential, shall be metered by (Insert: Standard or Time-of-day) meters owned and installed by the Company as required under Tariff COGEN/SPP, and located as indicated in the Service Agreement.

Cancellation of this Addendum during the term shown in the Service Agreement shall be under the provisions for cancellation stated in the Tariff shown in the Service Agreement. All other provisions of Option 2 of Tariff COGEN/SPP shall be in effect.

This Addendum shall be in full force and effect when last signed by the assigned representatives of the parties hereto.

INDIANA MICHIGAN POWER COMPANY

(CUSTOMER NAME)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

RECEIVED

Indiana Michigan Power Company Attachment A

30-Day Filing No. 50125

SAMPLE

30-Day Filing No. 2524

MAR 02 2009

INDIANA UTILITY
REGULATORY COMMISSION

OPTION #2 (Energy and Capacity Purchase)

It is further agreed that the Company will purchase and the Customer will sell electric energy and average capacity produced by the Customer's qualifying facility under Option 2 of the terms of Tariff COGEN/SPP as filed with the Indiana Utility Regulatory Commission. The Customer will purchase from the Company the net load requirements under the provisions of the Service Agreement.

The electric energy and average capacity delivered under this Addendum shall be alternating current at approximately _____ volts, four (4) wire, three (3) phase, 60-hertz. The said electric energy and average capacity shall be delivered at reasonably close maintenance to constant potential, shall be metered by time-of-day meters owned and installed by the Company as required under Tariff COGEN/SPP, and located as indicated in the Service Agreement.

For the purpose of this Agreement, the contract term is established as _____ years and the monthly on-peak contract capacity is established as _____ kW.

Cancellation of this Addendum during the term stated above shall be under the provisions for cancellation stated in Tariff COGEN/SPP.

This Addendum shall be in full force and effect when last signed by the assigned representatives of the parties hereto.

INDIANA MICHIGAN POWER COMPANY

(CUSTOMER NAME)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

RECEIVED

MAR 02 2009

INDIANA UTILITY
REGULATORY COMMISSION

Indiana Michigan Power Company Attachment A

SAMPLE

30-Day Filing No. 50125

30-Day Filing No. 2524

OPTION #3 (Total Purchase and Total Sale)

It is further agreed that the Company will purchase and the Customer will sell the total output of electric energy and average capacity produced by the Customer's qualifying facility under Option 3 of the terms of Tariff COGEN/SPP as filed with the Indiana Utility Regulatory Commission. The Customer will purchase from the Company the total load requirements under the provisions of the Service Agreement.

The electric energy and average capacity delivered under this Addendum shall be alternating current at approximately _____ volts, four (4) wire, three (3) phase, 60-hertz. The said electric energy and average capacity shall be delivered at reasonably close maintenance to constant potential, shall be metered by time-of-day meters owned and installed by the Company as required under Tariff COGEN/SPP, and located as indicated in the Service Agreement.

For the purpose of this Agreement, the contract term is established as _____ years and the monthly on-peak contract capacity is established as _____ kW.

Cancellation of this Addendum during the term stated above shall be under the provisions for cancellation stated in Tariff COGEN/SPP.

This Addendum shall be in full force and effect when last signed by the assigned representatives of the parties hereto.

INDIANA MICHIGAN POWER COMPANY

(CUSTOMER NAME)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

RECEIVED

MAR 02 2009

INDIANA UTILITY
REGULATORY COMMISSION

Indiana Michigan Power Company Attachment A

ADDENDUM - 2

30-Day Filing No. 50125

30-Day Filing No. 2524

In the event that the October 5, 1984 and December 6, 1984, Orders of the Indiana Utility Regulatory Commission in Cause No. 37494 adopting IAC 4-4.1-1 through 4-4.1-13 are reversed in whole or in part on appeal or those sections are otherwise determined to be unlawful by the Commission or a court of competent jurisdiction, this Agreement shall be terminated and rendered null and void, relieving the Company and the Customer of all future obligations under this Agreement except that the Company and the Customer will remain liable for the payment for any electric energy or capacity which had been provided to the other prior to said reversal.

In the event that either of the above referenced Orders are stayed either by the Indiana Utility Regulatory Commission or a court, the obligations of the parties under this Agreement shall be stayed for the period of time during which the stay is in effect.

INDIANA MICHIGAN POWER COMPANY

(CUSTOMER NAME)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

RECEIVED

30-Day Filing No. 2524

MAR 02 2009

ADDENDUM - 3

INDIANA UTILITY
REGULATORY COMMISSION

The Company will negotiate transmission service provisions, where technically feasible, on a case-by-case basis in order to evaluate the multiple and varying factors which affect such provisions. Transmission service will be a separate service contract which will supplement this Agreement. The transmission service charges and associated provisions are subject to approval by the Federal Energy Regulatory Commission (FERC).